

**THE SCHOOL ADMINISTRATOR  
and Uniform Compliance Guidelines  
ISSUED BY THE STATE BOARD OF ACCOUNTS**

**Volume 131, Page 1**

**September 1995**

**ITEMS TO REMEMBER**

September 1: Prove the Fund Ledger and Ledger of Receipts for the month of August to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts within each program to the total disbursements of that program.

September 4: Legal Holiday - Labor Day (IC 1-1-9-1)

September 15: The A.D.M. count shall be taken on this date.

September 16: Last day to file budgets with county auditor. (At least two (2) days before the first meeting of the County Board of Tax Adjustment, file with the county auditor a statement of the tax rate and levy fixed by the Board of School Trustees and two (2) copies of the budget as adopted for the ensuing budget year) (C 6-1.1-17-5).

September 18: Meeting of County Tax Adjustment Board. (Each County Tax Adjustment Board, if applicable, shall hold its first meeting of each year on September 18 or on the first business day after September 18, if September 18 is not a business day (IC 6-1.1-29-4).

Note: Within ten (10) days following the publication by the county auditor of the "notice of tax rates," ten (10) or more taxpayers may initiate an appeal of the County Tax Adjustment Board's action; and/or, the school corporation may appeal (IC 6-1.1-17-13 and IC 6-1.1-17-15).

September 20: Last day to report and make payment of state and county income tax withheld during August to Department of State Revenue. (Please review Volume 100, of the December 1987, "The School Administrator.")

September 11-

September 29: The A.D.A. count shall be taken between these dates.

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**ITEMS TO REMEMBER**

(Continued)

September 29: Form 30A, Report of A.D.M. for State Support, is due in the office of Department of Education Division of School Finance on or before this date.

Prime Time Report Due

October 1: On or before this date all duties of the County Tax Adjustment Board must be completed (IC 6-1.1-17-9).

Prove all ledgers for the month ending September 30 as outlined for the month of August.

October 9: Legal Holiday - Columbus Day (C 1-1-9-1).

October 13: Form 30B, Report of A.D.A. for State Support is due in the office of the Department of Education, Division of School Finance.

October 15: State Teachers' Retirement Form EOR-4 (Employing Officials' Report of Teacher Contribution Deductions for the first quarter of the 1992-1993 school year) is due in the office of the State Teachers' Retirement Fund Board. IC 21-6.1-7-9 provides "If the treasurer of a school corporation or the township trustee fails to make the reports as required in section 7 or 8 of this chapter, the school corporation which that officer serves is ineligible to receive any distribution of money from the state for school purposes until the reports and payments are received and approved by the board."

October 20: Last day to report and make payment of state and county income tax withheld during September to Department of State Revenue. (Please review Volume 100, December 1987, of "The School Administrator.")

October 31: Last day to file third quarter report with the Internal Revenue Service and complete payment of federal tax withheld.

Requests for textbook reimbursements must be received by the Department of Education, Division of School Finance before November 1.

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- November 1: Prove all ledgers for the month ending October 31 as outlined for the month of August.
- November 11: Legal Holiday - Veterans' Day (IC 1-1-9-1)
- November 23: Legal Holiday - Thanksgiving Day (IC 1-1-9-1)
- November 30: On or before June 1 and December 1 of each year (or more frequently if the County Legislative Body adopts an ordinance requiring additional certifications) the School Corporation shall certify a list of the names and addresses of each person who has money due from the School Corporation to the County Treasurer. (IC 6-1.1-22-14).

**TEACHER AIDES AND OTHER NON-INSTRUCTIONAL EMPLOYEES**

The General School Powers Act, (IC 20-5-2-2) provides authority in the specific powers of the governing body (7) "To employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-6.1-3), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including but not limited to making of schedules, the keeping and analyzing of grades and other student data, the preparing of warrants, payroll, and similar data where approved by the state board of accounts . . . and such other personnel or services, all as the governing body considers necessary for school purposes. To fix and pay the salaries and compensation of such persons and such services. To classify such persons or services and to adopt schedules of salaries or compensation. To determine the number of such persons or the amount of services thus employed or contracted for. To determine the nature and extent of their duties . . ."

If the salary of each teacher aide is fixed by the board or if the board adopts a salary schedule for teacher aide services, no written contract is required by the statute. The governing board may wish to enter into a written contract with each teacher aide and has permissive authority to do so. We are not aware of a statute requiring a written contract with non-instructional employees except IC 20-9.1-2-3 which requires a written contract with non-instructional employees who are assigned as school bus drivers to drive school corporation owned school buses.

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**TEACHER INSURANCE AND ANNUITY**

IC 20-6.1-5-11 requires the board of school trustees, upon written request of any teacher, to withhold a requested amount from the teacher's salary and to pay that amount, in accordance with the direction of such teacher, to a designated insurance company or other agency or organization in the State of Indiana which provides, extends, supervises or pays for insurance or other protection or for the establishment of or payment on an annuity account for the teacher. Deductions for these purposes may be handled on the records of the school corporation in the same manner as other payroll deductions.

IC 20-6.1-5-11 further provides that if there is any dividend accruing on any policy or policies, such dividend shall be paid or credited to such teacher.

Furthermore, IC 20-6.1-5-11 provides the governing body upon written request of a beneficiary of the Indiana State Teacher's Retirement Fund, may receive from such beneficiary a given amount of money to be held and paid, in accordance with the direction of such beneficiary, to an insurance company or other agency or organization in the State of Indiana which provides, extends, supervises or pays for insurance or other protection or for the establishment or payment of an annuity account. Money received from said beneficiaries for such purposes may be handled on the records in the same manner as teacher deductions. Monies so received shall be receipted to and paid from the clearing accounts without appropriation.

Finally, IC 20-6.1-5-11 provides "However, if less than twenty percent (20%) of the teachers make a request for paying these amounts of money to a single recipient, withholding the amounts of money for insurance, dues, or other purposes is discretionary with the governing body."

**OFFICIAL BOND OF TREASURER**

IC 20-5-3-1 requires the governing body each year to appoint a treasurer of the governing body and of the school corporation who is a person other than the superintendent of schools and who is not a member of the governing body. The treasurer may, with the approval of the governing body, appoint a deputy who shall also be a person other than the superintendent of schools, who is not a member of the governing body and who shall have the same powers and duties as the treasurer or such lesser duties as the governing body by rule shall provide.

IC 20-5-3-4 provides that for each school year commencing July 1, the treasurer of each governing body and the school corporation and any deputy treasurer, if so appointed, shall give a bond for the faithful performance of duties written by an insurance company licensed to do

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**OFFICIAL BOND OF TREASURER (continued)**

business in the State of Indiana, in an amount determined by the governing body. The treasurer shall be responsible under his bond for the acts of any deputy treasurer appointed as provided in IC 20-5-3-1.

The State Board of Accounts often recommends school corporations to review the amount of funds a treasurer or deputy treasurer accounts for in determining the amount to bond. Areas to consider based upon recent claims with surety companies would include, bids awarded and investments in addition to the normal considerations of receipts, disbursements, etc. However, the Indiana Attorney General in 1965 concluded in Official Opinion No. 33 that the governing body of the school corporation must determine the amount of and approve the treasurer's bond.

The treasurer's official bond must be written for a term of one (1) year, the term of office of the treasurer; shall be payable to the State of Indiana as required by IC 5-4-1-10; and, when approved, shall be filed and recorded in the office of the recorder of the county wherein the treasurer resides as provided in IC 5-4-1-5.1. No charge shall be made by the recorder of the county for recording official bonds of any public officer, deputy, appointee or employee, IC 36-2-7-10.

**TEMPORARY LOANS - TAX ANTICIPATION WARRANTS**

The following should be noted and considered:

1. The board must find and declare that an emergency exists for the borrowing of money for current operating expenses. The finding should be made a part of the board minutes.
2. The principal of temporary loans shall be paid from the fund for the benefit of which the loan was obtained; (general fund for state tuition support distributions). However, the interest on these warrants may be paid from the debt service fund or from the fund for which the taxes were levied (general fund for state tuition support distributions).
3. The amount of the principal of temporary loans maturing on or before June 30 for any fund shall not exceed eighty percent (80%) of the amount of taxes and state tuition support distributions to be collected or received for distribution to the fund at the June settlement. The amount of the principal of temporary loans maturing after June 30, and on or before December 31, shall not exceed eighty percent (80%) of the amount of taxes and state tuition support distributions estimated to be collected or received for and distributed to the fund at the December settlement.
4. The auditor's estimates and the amount of state tuition support distributions estimated to be collected and distributed should be made a part of the proceedings to obtain the loan. Estimates are to include allocations from the property tax replacement fund.

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**TEMPORARY LOANS - TAX ANTICIPATION WARRANTS (continued)**

5. The warrants evidencing any loan in anticipation of tax revenues or state tuition support distributions shall not be delivered to the purchaser thereof nor payment made therefor prior to January 1 of the year the loan is to be repaid. The proceedings necessary for such loan may be held and carried out before January 1 and before the approval. The loan may be made even though a part of the last preceding June or December settlement has not yet been received.
6. Proceeding for the issuance and sale of warrants for more than one fund may be combined, but separate warrants for each fund shall be issued and each warrant shall state on its face the fund from which the principal is payable.
7. No issue of tax anticipation warrants or tuition support distributions shall be made, if the aggregate of all such warrants exceed \$20,000 until the same shall have been advertised have been advertised for sale, bids received, and an award made by the board.
8. Notice of sale need not be published outside the county nor more than ten days before the date of sale.
9. If the rate of interest exceeds eight percent (8%), the approval of the state board of tax commissioners must be obtained (IC 6-1.1-20-7).

A school corporation may save money on interest for temporary loans if the amount needed (for example from January 15 to June 30) is not all borrowed at one time. The amounts needed to June 30 may be established, advertised for sale, bids received and an award made by the board of school trustees. However, notes may be negotiated at such times and in such amounts as currently necessary to meet operating costs, provided the total of all such notes does not exceed the amount advertised.

Several years ago our Department had taken the position that IC 20-5-4-8 required tax anticipation warrants to be issued in no more than six months maturities, based on an implication that two separate sets of warrants would be issued. We modified our position to allow for a twelve month maturity equal to 80% of the December distribution for the tax warrant program offered by the Indiana Bond Bank.

The audit position of the State Board of Accounts is that under IC 20-5-4-8, school corporations may issue two sets of (up to) six month warrants maturing on June 30 and December 31, each equal to 80% of the respective distributions, or they may issue a single set of (up to) twelve month warrants maturing on December 31, equal to 80% of the December distribution.

Whichever method is chosen, tax anticipation borrowing is to be based upon need. Borrowing to invest is an area which may be subject to audit scrutiny.

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**TEMPORARY LOANS - TAX ANTICIPATION WARRANTS (continued)**

We will not take audit exception to warrants issued under these guidelines unless the ability to take advance draws could eliminate the need for anticipation borrowing. Each review will be made on a case by case basis to determine if the borrowing was necessary.

**TEACHER'S ACCUMULATED SICK LEAVE**

IC 20-6.1-5-6 provides each teacher shall be entitled to be absent from work on account of illness or quarantine for a total of ten (10) days the first year and seven (7) days in each succeeding year without loss of compensation. If in any one (1) year the teacher is absent because of illness or quarantine for less than the prescribed number of days, the remaining days shall be accumulative to a total of ninety (90) days. In the event any teacher shall have accumulated one or more days of sick leave and shall thereupon become employed in another school corporation of the State of Indiana, then there shall be added for the second year and each succeeding year of such employment up to three (3) days of sick leave until the number of accumulated days to which said teacher was entitled in the last place of employment shall be exhausted.

On November 23, 1966, a Deputy Attorney General issued an unofficial opinion concerning teacher's accumulative sick leave from the school corporation of last employment. The opinion, provided if a teacher signed a contract with another school corporation or began teaching in the other school corporation after July 8, 1965 (the effective date of Ch 215, Acts of 1965) such teacher could have sick leave certified to the corporation of new employment for accumulation on the basis of the statute referred to previously, IC 20-6.1-5-6.

If a teacher with accumulated sick leave days earned in another Indiana public school corporation signs a contract as a new teacher with your school corporation, that teacher is entitled to ten (10) days sick leave for the first year of employment in your corporation. For each year employed thereafter in your school corporation, the teacher is entitled to seven (7) days sick leave from your school corporation plus three (3) days of the leave accumulated in the public school corporation which was the last place of employment, until such accumulation of sick leave is exhausted. When a teacher follows employment in another Indiana public school corporation with a contract to teach in your school corporation, you should immediately contact the school corporation of last employment and request a certification of the number of accumulated sick leave days on the teacher's record. You only need to contact the school corporation of last employment since the teacher is not authorized to claim credit for sick leave from other school corporations of prior employment.

Since the statute identifies the teacher's contract with a school term it has been interpreted that the ten (10) days or seven (7) days

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**TEACHER'S ACCUMULATED SICK LEAVE (continued)**

accumulate with the signing of a regular teachers' contract; therefore, since the statute also identifies the accumulation of the ten (10) days and seven (7) with the first year and each succeeding year respectively, there would be no provision for further accumulation of sick leave based on a supplemental service teacher's contract. Although the interpretation would not provide for accumulating sick leave for summer teaching service, we are of the audit position that if a teacher has accumulated sick leave on record, such teacher desires to use such days of accumulated sick leave to provide compensation for days of summer school service lost because of illness.

In an unofficial opinion dated October 4, 1961, a Deputy Attorney General stated that a teacher could claim leave for absence or incapacity resulting from pregnancy, occurring either before or after birth of the child. A later provision in Public Law 232 of the Acts of 1975, provides that leave of absence taken by a teacher because of temporary disability caused by pregnancy may be charged, at her discretion, to her available sick leave.

Concerning sick leave for part-time teachers, in official opinion No. 120 of 1945 the Indiana Attorney General made the following statements: (1) The word year as used in connection with teacher contracts and sick leave refers to the school year rather than the calendar year; (2) If a teacher is employed part-time by two or more school corporations, such teacher would not be entitled to a greater number of sick leave days such teacher would not be entitled to a greater number of sick leave days than a full-time teacher who is employed by school corporation would receive; and (3) The several school corporations employing one teacher part-time would be required to apportion the sick leave days the teacher taught in such school corporations during the school year.

Official Opinion of the Attorney General No. 8 of 1962 provided each teacher may be absent from work with pay on account of illness or quarantine for ten days the first year of employment in a school corporation and seven days in each succeeding year. Unused sick leave days shall be accumulated to a total of ninety days, IC 20-6.1-5-6. Sick leave provisions under this section constitute a minimum and additional sick leave, both as to the number of days per year or total accumulated days, may be increased by proper official action of the school corporation which must be consistent with the salary schedule adopted by the school board.

In an unofficial opinion dated February 3, 1969, a Deputy Attorney General stated that since sick leave benefits are a part of the minimum salary schedule, it would seem that a teacher who is employed on a contract specifically providing for a term of only one-half a of a school year, should be allowed only one-half of the first year's required sick leave.



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**TEACHER'S ACCUMULATED SICK LEAVE (continued)**

IC 20-6.1-5-7 provides that an employer school corporation may establish a voluntary sick leave bank to which a teacher may contribute unused sick leave days and from which a contributing teacher may draw sick leave days when the teacher's accumulated sick leave days are exhausted.

**EVALUATION BY NORTH CENTRAL ASSOCIATION**

Frequently the governing board and administrators of a school corporation elect to accept the services of an evaluation committee of the North Central Association to make an inspection and evaluation of the curricula, building efficiency, equipment, etc. of the school corporation. It is understood the committee does not charge a fee or other flat amount for such appraisal, but that it does require the school corporation to pay various expenses (meals, lodging, etc.) of the members of the committee while making inspection and evaluation.

IC 20-5-2-2(7) authorizes the governing body of the school corporation to employ and discharge educational and other professional consultants and such other personnel or services as the board considers necessary for school purposes and to pay the cost thereof. We will not take audit exception to a contract for such service and the necessary expenses of the members of the committee may be paid by the school corporation.

The board may also determine the number of persons so employed or the amount of services for which contracts are awarded and determine the nature and extent of duties or services required.

Expenditures for the services of such an evaluation committee should be paid from the school corporation General Fund, Account No. 26200.

**OBSOLETE VOLUME**

All articles of Volume 91 of the School Administrator now have been updated and reprinted in later volumes or are no longer applicable; or are provided in the Accounting Manual for Indiana Public School Corporations. Therefore, Volume 91 which was distributed in September 1985 may now be deleted from your files.

**FIXED ASSET RECORDS**

To ensure adequate safeguards over fixed assets, school corporations should maintain proper asset records. The State Board of Accounts will be prescribing a General Fixed Asset Account Group Form. Substitute computerized forms approved by the State Board of Accounts may be used.

The State Board of Accounts intends to hold a seminar in conjunction with the Indiana Association of School Business Officials on May 8, 1996 concerning fixed asset accounting.